

CITY OF LADUE

- **To:** Mayor Spewak
City Council
- **From:** Sam Zes
- **Subject:** City of Ladue 2020 Third Quarter Financial Report
- **Date:** October 19, 2020
- **CC:** Finance Committee, City Department Heads

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- This report is provided to give an overview of revenue and expense activity during the city's first nine months of the 2020 fiscal year. This information supplements the regular financial statements included in your Council packet for period ending September 30, 2020. Information about each fund's revenue and expenditure activity is listed below. Revenues continued to decline in the 3rd quarter and are expected to continue to decline for the remainder of the year. Sales tax revenue, ambulance service fees and investment income will likely be the most impacted by COVID-19 and these revenues will continue to be closely monitored and reviewed.
 - The City's overall revenues across all major funds are 2.13% lower compared to the year-to-date budget. Combined major fund expenditures are lower compared to the year-to-date budget with a variance of 37.07%. Current expense variances are primarily related to payroll expenses, the delay of major capital expenditures and timing of projects in the Road & Bridge Fund and the Storm Water Fund.

GENERAL FUND

- Total General Fund revenues are \$21,954 or 0.34% higher than the YTD budget. Total revenue is expected to continue decreasing throughout the year.
- Total combined utility tax revenues are a combined 5.39% lower than the YTD budget.
- Notable Revenue Variances:
 - Electric Utility Tax: \$21,783 lower than the YTD budget.
 - Water Utility Tax: \$11,938 higher than the YTD budget.
 - Telephone Utility Tax: \$89,892 lower than the YTD budget.
 - Investment Income: \$84,582 lower than the YTD budget.
 - Building Permits: \$93,979 higher than the YTD budget.
 - Ambulance Service Fees: \$55,759 lower than the YTD budget.
 - Sales Tax: \$89,742 higher than the YTD budget. This is related to timing and expected to decrease significantly by year-end. Sales tax revenue is \$62,624 lower than the third quarter of 2019.

- Due to job vacancies, insurance savings, and City departments eliminating/reducing non-essential purchases, total expenditures in the General Fund have been significantly reduced. General Fund year-to-date expenditures are \$1,189,876 or 10.27% lower than the YTD budget. However, the timing of purchases is also a factor and total year-end expenditures are forecasted to remain lower than budget by a lesser percentage.
- Notable Consolidated Expense Variances:
 - Overtime: \$38,614 or 17.64% lower than budget YTD.
 - Salaries: \$174,530 or 3.47% lower than budget YTD.
 - Medical Insurance: \$72,489 or 6.09% lower than budget YTD.
 - Legal Fees and Retainers: \$160,453 or 77.14% lower than budget YTD.
 - Property and Liability Insurance: \$15,275 or 7.91% lower than budget YTD.
 - Travel Expenses: \$23,850 or 97.93% lower than budget YTD.
 - Post-Secondary Tuition: \$25,509 or 65.84% lower than budget YTD.

ROAD AND BRIDGE FUND

- Year-to-date revenues are \$104,218 or 14.33% lower than YTD budget.
- Year-to-date expenses are \$862,384 or 70.1% lower than the YTD Budget due to timing of projects.

CAPITAL IMPROVEMENT FUND

- Year-to-date revenues are \$34,919 or 4.19% lower than the YTD budget.
- The Capital Improvement Sales Tax is higher than the YTD budget by \$23,875 or 3.33%.
- Year-to-date expenses are \$345,112 or 26.53% lower than the YTD budget due to timing of purchases. Many capital expenditures have been delayed or eliminated so the total expenditures in 2020 are anticipated to be budget.
- Current expense variances in accounts are primarily related to timing and will not exceed budget.

STORM WATER FUND

- Year-to-date revenues are \$42,818 or 4.45% lower than YTD budget.
- The Storm Water Sales Tax is lower than the YTD budget by \$37,057 or 4.35%.
- Year-to-date expenses are \$4,372,913 lower than the YTD budget due to timing of projects.

PUBLIC SAFETY FUND

- Year-to-date revenues are \$38,229 or 11.36% lower than YTD Budget attributed to an overpayment in sales tax in December 2019. The sales tax revenue was reduced in January 2020 to offset the overpayment.
- The Public Safety Fund has one annual transfer to the General Fund to provide for Police Department and Fire Department needs.

INVESTMENTS

- The value of the city's investments at mid-year is as follows:
- General Fund: \$5,783,177.13
- Capital Improvement Fund: \$250,000
- Road & Bridge Fund: \$1,000,000
- Storm Water Fund: \$6,500,000
- Special Revenue Fund: \$100,000
- A listing of all investments is included with this month's financial report.

FOR FURTHER INFORMATION

- Detailed financial statements are included in this month's packet. Please feel free to contact me if you have questions or would like additional information.